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11 ATELIER FASHION COMPANY, INC.

12 **UNITED STATES DISTRICT COURT**

13 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

14 ATELIER FASHION COMPANY,
15 INC., a California corporation,

16 Plaintiff,

17 v.

18 OLD SCHOOL FAIRFAX, INC., a
19 California corporation; FARHAD
20 ESHAGHIAN, an individual; and
21 DOES 1 through 10, inclusive,

22 Defendants.

23 **CASE NO.**

24 **COMPLAINT FOR:**

- 25 1. **FEDERAL TRADEMARK
26 COUNTERFEITING**
- 27 2. **FEDERAL TRADEMARK
28 INFRINGEMENT**
- 29 3. **FEDERAL TRADE DRESS
30 INFRINGEMENT**
- 31 4. **UNFAIR COMPETITION**
- 32 5. **UNFAIR BUSINESS
33 PRACTICES**

34 **[JURY TRIAL DEMANDED]**

This lawsuit seeks to stop Farhad Eshaghian (“Eshaghian”) and his company, Old School Fairfax, Inc. (“Old School”), from blatantly and illegally counterfeiting, misusing and trading on Atelier Fashion Company, Inc.’s (“Plaintiff” or “Atelier”) brand name AMIRI. Through its brick and mortar store in Los Angeles, California, Old School and Eshaghian are selling counterfeit jeans bearing the mark AMIRI and using a fake label that mimics the real label used on authentic AMIRI clothing and accessories. Atelier alleges as follows:

PARTIES, JURISDICTION AND VENUE

9 1. Plaintiff Atelier is a California corporation headquartered at 1801 East
10 7th Street, Suite C, Los Angeles, CA 90021. Atelier is the designer, marketer and
11 seller of AMIRI brand clothing, shoes and accessories.

12 2. Defendant Old School is a California corporation headquartered at 427
13 N. Fairfax Avenue, Los Angeles, California 90036. Old School sells clothing, shoes
14 and accessories through its brick and mortar store at 427 N. Fairfax Avenue, Los
15 Angeles, California 90036.

16 3. Defendant Eshaghian is the owner, President and Chief Executive
17 Officer of Old School. On information and belief, Eshaghian is a California resident
18 living in Los Angeles, California.

19 4. Based on information and belief, there is such a unity of interest and
20 ownership between Eshaghian and Old School that the individuality of Old School
21 or its separateness from Eshaghian has ceased, because, on information and belief (i)
22 there has been a commingling of funds and other assets between Eshaghian and Old
23 School; (ii) there has been an unauthorized diversion of corporate funds or assets
24 from Old School to Eshaghian for purposes other than corporate uses; (iii)
25 Eshaghian treats the assets of Old School as his own; (iv) Eshaghian owns all of the
26 shares of stock of Old School; (v) Eshaghian has held out that he is personally liable
27 for the debts of Old School; (vi) Old School has failed to maintain minutes or
28 adequate corporate records; (vii) Old School lacks corporate assets and is

1 undercapitalized; (xiii) Eshaghian utilizes Old School as a mere shell,
2 instrumentality or conduit for his personal business; (ix) Eshaghian has taken steps
3 to conceal the relationship between his personal business activities and Old School;
4 and (x) Eshaghian uses Old School to procure labor, services, and merchandise for
5 himself. As such, Eshaghian is Old School's alter ego.

6 5. Plaintiff is informed and believes and thereon alleges that the true
7 names and capacities, whether individual, corporate, associate or otherwise, of
8 Defendants herein named as Does 1 through 10, inclusive, are unknown to Plaintiff,
9 who therefore sues said Defendants by such fictitious names. Plaintiff will seek to
10 amend this Complaint to state the true names and capacities of these Doe
11 Defendants when they have been ascertained.

12 6. Plaintiff is informed and believes, and on that basis alleges, that at all
13 times mentioned herein each of the Defendants mentioned herein was the affiliate,
14 agent, servant and employee of the other Defendants, and in doing the things
15 alleged, was acting in the course and scope and authority of such affiliation, agency,
16 service and employment, with the permission and consent of the other co-
17 Defendants, and that each act of said co-Defendants was ratified by the others.

18 7. This Court has jurisdiction over the federal trademark claims asserted
19 in this action under 15 U.S.C. § 1221, 28 U.S.C. § 1331 and 28 U.S.C. § 1338.

20 8. This Court has jurisdiction over the state law claims asserted in this
21 action under 28 U.S.C. § 1367 because they are also related to the federal claims
22 that form part of the same case or controversy under Article III of the U.S.
23 Constitution.

24 9. This Court has personal jurisdiction over Defendants because they
25 reside and are headquartered in California, and the trademark counterfeiting,
26 trademark infringement and other wrongful conduct occurred in Los Angeles,
27 California.

28 10. Venue in this District is proper pursuant to 28 U.S.C. § 1391(b)

1 because Defendants are California residents and a substantial part of the events or
 2 omissions giving rise to liability occurred in this District.

FACTUAL ALLEGATIONS

A. The AMIRI Brand

5 11. Atelier is the creator and owner of the high-end fashion brand AMIRI.
 6 AMIRI branded clothing, shoes and accessories have enjoyed massive success and
 7 wide publicity by being linked to fashion-setters in the entertainment and sports
 8 communities.

9 12. Influenced by the punk and grunge culture of the 1980s and 1990s, the
 10 AMIRI brand launched in 2013 as a ready-to-wear label with streetwear-inspired
 11 collections made of premium denim, supple leather and soft cotton-cashmere blends.

12 13. The edgy styles of the AMIRI brand are prized by sports icons and rock
 13 stars, who frequently wear the brand's signature shotgun-pellet-distressed pieces.

14 14. Atelier is responsible for creating, designing, assembling, finishing,
 15 marketing and selling the AMIRI brand clothing, shoes and accessories; and Atelier
 16 is responsible for maintaining quality control over the AMIRI brand clothing, shoes
 17 and accessories marketed and sold around the world.

18 15. Atelier owns the U.S. trademark registration for the mark AMIRI (Reg.
 19 No. 5017318, Reg. Date August 9, 2016, First Use June 1, 2015) in international
 20 class 25 (boots, jeans, shirts, shoes, sweaters, t-shirts, denim jackets and leather
 21 jackets).

22 16. For years prior to the events giving rise to this lawsuit, Atelier has
 23 annually spent enormous amounts of time, money and effort advertising and
 24 promoting the products on which the mark AMIRI is used. AMIRI brand products
 25 are advertised in print and on the Internet. The AMIRI brand is also advertised,
 26 promoted and presented at points of sale by major retailers and high-end fashion
 27 boutiques. Consumers, accordingly, are exposed to the mark AMIRI in a variety of
 28 shopping and post-sale contexts.

1 17. Atelier has sold its AMIRI brand products all over the world, including
 2 throughout the United States and in California.

3 18. The mark AMIRI is arbitrary and fanciful and thus is entitled to the
 4 maximum trademark protection under the law.

5 19. Based on Atelier's extensive marketing of the AMIRI brand, and the
 6 trend-setting stars in sports and entertainment that wear AMIRI brand products, the
 7 AMIRI brand is now famous and has acquired secondary meaning so that any
 8 product or advertisement bearing such mark is immediately associated by
 9 consumers, the public and the trade as being a product or affiliate of the AMIRI
 10 brand.

11 20. Atelier has gone to great lengths to protect its name and enforce the
 12 mark AMIRI.

13 21. The trademark registration of the mark AMIRI is valid and subsisting
 14 and in full force and effect.

15 **B. Defendants' Counterfeiting and Infringing Conduct**

16 22. Defendants are trafficking counterfeit goods marketed and sold under
 17 the genuine mark AMIRI through their brick and mortar store on 427 N. Fairfax
 18 Avenue in Los Angeles, California.

19 23. As part of its collections, Atelier markets and sells the MX1 jeans in
 20 black and indigo. The MX1 jeans have a distinctive torn look with handmade
 21 distressed rips, abrasions and pleated leather under-rips throughout. The MX1 jeans
 22 are sold at retail for \$1,040.00. Images of the genuine AMIRI MX1 jeans are shown
 23 below and are attached hereto as Exhibit 1:

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AMIRI
COLLECTI
SHOP ME!
CONCERT 1
NEW ARRIV
READY TO
ALL
LEATHER
OUTERWEA
SHIRTS
DENIM
SHOES
ACCESSORI
SHOP WO
STOCKIST



AMIRI
COLLECTIONS
SHOP MEN
CONCERT TRUCKER
NEW ARRIVALS
READY TO WEAR
ALL
LEATHER
OUTERWEAR
SHIRTS
DENIM
SHOES
ACCESSORIES
SHOP WOMEN
STOCKISTS



MX1 JEAN BLACK
\$1,040.00
SLIM TAPERED DESTROYED MX1 JEAN
DENIM FROM ITALY
HAND PLEATED JAPANESE PLONGE PATCHES
DISTRESSED RIPS AND ABRASIONS BY HAND
MADE IN CALIFORNIA

24. At their store, Defendants sell counterfeit and knock-off MX1 jeans with the AMIRI label affixed to the jean to trick consumers into buying what they think are genuine AMIRI jeans.

25. In addition to using spurious designations, Defendants' counterfeit jeans copy the distinctive look and feel of the AMIRI MX1 jeans to further confuse consumers.

26. Defendants sell these counterfeit jeans for \$595.00—roughly half the price of genuine AMIRI jeans.

27. Images of the counterfeit AMIRI jeans are shown below and are attached hereto as **Exhibit 2**:

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28. Defendants' blatant counterfeiting is further shown by the fact that they
market their jeans as "MIKE AMIRI MX1" jeans:



29. Defendants are serial trademark infringers of countless high-end
fashion brands, and, on information and belief, have earned substantial profits from

1 the manufacture, import, marketing and sale of counterfeit and knock-off
 2 merchandise.

3 30. Numerous “Yelp!” commenters have reported Defendants’ marketing
 4 and sale of counterfeit and infringing merchandise through their brick and mortar
 5 store. For example, Joe K. of Berkeley, California posted on April 10, 2017:
 6 “FAKE FAKE FAKE Everything in this store is fake. What an utter scam. NO
 7 ONE BUY FROM OLD SCHOOL. I bought a fake FOG jacket, was happy, walked
 8 out and looked on my phone for some reviews and everything I read said it loud and
 9 clear. It’s a fraudulent business and should NOT exist. Don’t buy ANYTHING
 10 from Old School.”

11 31. Defendants knowingly and intentionally sell counterfeit and knock-off
 12 merchandise. Indeed, Defendants have a “no photographing” policy that is strictly
 13 enforced by on-site security guards.

14 **C. Defendants Continue to Sell Counterfeit Merchandise**

15 32. After learning of Defendants’ counterfeiting enterprise, Atelier sent
 16 Defendants a letter on April 13, 2017, demanding that they cease-and-desist from
 17 any further counterfeiting and infringement. A copy of the letter is attached hereto
 18 as Exhibit 3. To date, Defendants have not responded to the letter.

19 33. After Plaintiff sent the April 13 letter, the Yelp! website reported that
 20 Defendants’ store closed. But that is not true. Defendants continue to sell
 21 counterfeit merchandise through their store.

22 34. On April 24, 2017, an authorized retailer went inside Defendants’ store
 23 and sent Atelier a photograph showing the counterfeit AMIRI jeans on display.

24 35. Given Defendants’ brazen and continuing counterfeiting, Atelier seeks
 25 legal recourse to avoid further harm to the AMIRI brand. Unless enjoined by the
 26 Court, Defendants will continue and expand their illegal activities and otherwise
 27 continue to cause irreparable damage and injury to Atelier by, among other things:

28 a. depriving Atelier of its statutory rights to use and control use of

its trademark;

- b. creating a likelihood of confusion, mistake and deception among consumers and the trade as to the source of the infringing products;
 - c. causing the public to falsely associate Atelier and the AMIRI brand with Old School and Eshaghian and their products;
 - d. causing incalculable and irreparable damage to Atelier's goodwill and diluting the capacity of its famous AMIRI brand to differentiate its products from those of its competitors; and
 - e. causing Atelier to lose sales of its genuine AMIRI brand clothing, shoes and accessories.

36. Accordingly, Atelier is entitled to injunctive relief against Old School, Eshaghian and anyone acting in concert with them.

FIRST CLAIM FOR RELIEF

TRADEMARK COUNTERFEITING, 15 U.S.C. § 1114

(Against All Defendants)

37. Atelier hereby incorporates by reference all prior allegations as though fully set forth herein.

38. Defendants have used spurious designations that are identical with, or substantially indistinguishable from, the mark AMIRI on goods covered by registrations owned by Atelier.

39. Defendants have intentionally used these spurious designations, knowing they are counterfeit, in connection with the advertisement, promotion, sale, offering for sale and distribution of goods.

40. Defendants' use of the mark AMIRI to advertise, promote, offer for sale, distribute and sell clothing bearing the mark AMIRI was and is without the consent of Atelier.

41. Defendants' unauthorized use of the mark AMIRI on and in connection

with their sale, offering for sale and distribution of clothing bearing the mark AMIRI constitutes Defendants' use of the mark AMIRI in commerce.

42. Defendants' unauthorized use of the mark AMIRI as set forth above is likely to:

- a. cause confusion, mistake and deception;
 - b. cause the public to believe that their jeans are the same as AMIRI brand clothing and/or that they are authorized, sponsored or approved by Atelier or that they are affiliated, connected or associated with or in some way related to Atelier and/or the AMIRI brand; and
 - c. result in Defendants unfairly benefiting from Atelier's advertising and promotion and profiting from the reputation of Atelier and the AMIRI brand all to the substantial and irreparable injury of the public, Atelier and Atelier's licensed retailers.

43. Defendants' acts constitute willful trademark counterfeiting in violation
of 15 U.S.C. § 1114.

17 44. By reason of the foregoing, Defendants are liable to Atelier for the
18 following: (a) statutory damages in the amount of up to \$2,000,000 for each mark
19 counterfeited as provided by 15 U.S.C. § 1117(c) or, at Atelier's election, an amount
20 representing three (3) times Atelier's damages and/or Defendants' illicit profits; and
21 (b) reasonable attorneys' fees, investigative fees and pre-judgment interest as
22 provided by 15 U.S.C. § 1117(b).

SECOND CLAIM FOR RELIEF

TRADEMARK INFRINGEMENT, 15 U.S.C. § 1114

(Against All Defendants)

26 45. Atelier hereby incorporates by reference all prior allegations as though
27 fully set forth herein.

28 46. Based on Atelier's extensive advertising under the mark AMIRI, its

extensive sales and wide popularity of the AMIRI brand, the mark AMIRI has acquired secondary meaning so that any pair of jeans, or jacket or other item bearing that name is immediately associated by purchasers and the public as being a product and affiliate of Atelier and the AMIRI brand.

5 47. To gain from this popularity and good will, Defendants have used
6 symbols and logos that infringe upon Atelier's mark AMIRI in connection with its
7 sale, offering for sale, distribution or advertising of products bearing the mark
8 AMIRI.

9 48. Defendants actions have created a likelihood of consumer confusion
10 between the genuine AMIRI brand products and Defendants' infringing
11 merchandise.

12 49. These acts of trademark infringement have been committed with the
13 intent to cause confusion, mistake, or deception, and are in violation of 15 U.S.C. §
14 1114.

15 50. As a direct and proximate result of Defendants' conduct, Atelier is
16 entitled to recover Defendants' unlawful profits and Atelier's damages, and three (3)
17 times the amount of its damages and Defendants' profits, and to an award of
18 attorneys' fees under 15 U.S.C. § 1117.

19 51. Atelier is entitled to injunctive relief pursuant to 15 U.S.C. § 1116(a)
20 that requires Defendants to stop using the mark AMIRI.

THIRD CLAIM FOR RELIEF

TRADE DRESS INFRINGEMENT, 15 U.S.C. § 1125(a)

(Against All Defendants)

24 52. Atelier hereby incorporates by reference all prior allegations as though
25 fully set forth herein.

26 53. Atelier's AMIRI brand clothing has a distinctive look and feel that, as a
27 result of Atelier's extensive marketing and frequent use by trend-setting athletes and
28 entertainers, has acquired secondary meaning among consumers. Consumers

1 readily associate clothing with distinctive rips and edgy design with the AMIRI
2 brand.

3 54. Atelier's trade dress consists of nonfunctional rips, tears and leather
4 under-rips unique to the AMIRI brand that Atelier markets and sells as part of its
5 fashion collections featuring premium denim, supple leather and soft cotton-
6 cashmere blends.

7 55. Defendants copied and infringed Atelier's trade dress by
8 manufacturing, or causing the manufacture of, clothing with the same distinctive
9 rips, tears and leather under-rips featured on genuine AMIRI brand clothing. As a
10 result, Defendants' products have created a likelihood of consumer confusion.

11 56. As a direct and proximate result of Defendants' conduct, Atelier is
12 entitled to recover Defendants' unlawful profits and Atelier's damages, and three (3)
13 times the amount of its damages and Defendants' profits, and to an award of
14 attorneys' fees under 15 U.S.C. § 1117.

15 57. Atelier is entitled to injunctive relief pursuant to 15 U.S.C. § 1116(a)
16 that requires Defendants to stop manufacturing, marketing and/or selling clothing
17 using Atelier's trade dress.

FOURTH CLAIM FOR RELIEF

UNFAIR COMPETITION, CALIFORNIA COMMON LAW

(Against All Defendants)

21 58. Atelier hereby incorporates by reference all prior allegations as though
22 fully set forth herein.

23 59. Under California law, a defendant engages in unfair competition by
24 passing off his goods for those of another.

25 60. As set forth above, Defendants have marketed and sold products that
26 use the mark AMIRI and are virtually identical to the genuine goods sold under the
27 AMIRI brand.

28 || 61. As a result, Defendants are liable for unfair competition under

California law.

62. To the extent Atelier has an adequate remedy at law, Atelier is entitled to recover all damages proximately caused by Defendants' wrongful conduct, and, because Defendants' conduct was and is oppressive, malicious and fraudulent, Atelier is therefore entitled to an award of punitive damages under California Civil Code § 3294(a).

FIFTH CLAIM FOR RELIEF

UNFAIR BUSINESS PRACTICES, Cal. Bus. & Prof. Code § 17200

(Against All Defendants)

63. Atelier hereby incorporates by reference all prior allegations as though fully set forth herein.

64. As set forth above, Defendants have violated federal and California law through the marketing and sale of counterfeit and infringing merchandise.

65. As such, Defendants have engaged in unfair business practices prohibited under California Business & Professions Code § 17200.

66. As a direct and proximate result of Defendants' unfair business practices, Atelier is entitled to disgorgement of Defendants' profits and injunctive relief.

PRAYER FOR RELIEF

WHEREFORE, Atelier respectfully requests that the Court grant the following relief:

- 22 (1) Enter judgment in Atelier's favor, finding that Atelier's mark AMIRI
23 has been counterfeited by Defendants in violation of 15 U.S.C. § 1114;
24 (2) Enter judgment in Atelier's favor, finding that Atelier's mark AMIRI
25 has been infringed by Defendants in violation of 15 U.S.C. § 1114;
26 (3) Enter judgment in Atelier's favor, finding that Atelier's trade dress has
27 been infringed by Defendants in violation of 15 U.S.C. § 1125(a);
28 (4) Enter judgment in Atelier's favor, finding that Defendants have

engaged in passing off in violation of California law;

- (5) Enter judgment in Atelier's favor, finding that Defendants have committed unfair business practices in violation of California law;

(6) Enter an injunction ordering Defendants to close their brick and mortar store at 427 N. Fairfax Avenue, Los Angeles, California and ordering Defendants, their agents, servants, employees, and all other persons in privity or acting in concert with them be enjoined and restrained from:

 - (a) using any reproduction, counterfeit, copy, or colorable imitation of the mark AMIRI to identify any goods or rendering any services not authorized by Atelier;
 - (b) marketing or selling, directly or indirectly, any goods that use the same or substantially similar product names as are used on the genuine AMIRI clothing, shoes and accessories;
 - (c) manufacturing, or causing the manufacture of, any goods that are an exact replica or use a substantially similar design to the genuine AMIRI clothing, shoes and accessories;
 - (d) further infringing or passing off the mark AMIRI or any clothing, shoe or accessory associated with the AMIRI brand;
 - (e) making any statement or representation whatsoever that Defendants' products are associated with the AMIRI brand or approved by Atelier;
 - (f) using or hosting any Internet page or social media platform to display, market or sell any counterfeit or infringing products;
 - (g) secreting, destroying, altering, removing or otherwise dealing with the unauthorized products or any books or records which contain any information relating to the importing, manufacturing, producing, distributing, circulating, selling, marketing, offering for sale, advertising, promoting, or displaying of all unauthorized

1 products which infringe the mark AMIRI and the AMIRI trade
2 dress; and

3 (h) effecting assignments or transfers, forming new entities or
4 associations or utilizing any other device for the purpose of
5 circumventing or otherwise avoiding the prohibitions set forth in
6 subparagraphs (a) through (g);

7 (7) That Defendants, within (30) days of judgment, file and serve Atelier
8 with a sworn statement setting forth in detail the manner and form in
9 which they have complied with this injunction pursuant to 15 U.S.C.
10 § 1116(a);

11 (8) That Defendants be required to deliver up for destruction to Atelier all
12 unauthorized materials bearing any of the AMIRI marks or the AMIRI
13 trade dress;

14 (9) That Defendants be required to pay Atelier statutory damages up to
15 \$2,000,000 per infringed mark and all of Atelier's reasonable attorneys'
16 fees, costs, investigative costs and pre- and post-judgment interest as
17 permitted by law;

18 (10) That Defendants be required to disgorge all profits and pay up to three
19 (3) times Atelier's damages or Defendants' illegal profits;

20 (11) That the Court retain jurisdiction of this action for the purpose of
21 enabling Atelier to apply to the Court any time for such further orders
22 as are necessary;

23 (12) That Defendants be prohibited from a discharge in bankruptcy pursuant
24 to 11 U.S.C. § 523(a)(6) for any malicious, willful or fraudulent injury
25 to Atelier; and

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1 (13) For any further relief that the Court deems just and proper.
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DATED: May 2, 2017

Respectfully submitted,

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By:

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DEMAND FOR JURY TRIAL

Atelier demands that this action be tried by a jury.

DATED: May 2, 2017

Respectfully submitted,

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By:

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